weekly economic review

September 28, 2012

Population

Alberta records fastest growing population in Canada

Alberta continues to be a destination of choice for interprovincial and international migrants. In the second quarter of 2012, Alberta gained 8,544 people from other provinces and 14,546 international migrants. Total net migration accounted for more than 70% of Alberta's quarterly population growth of 31,196 persons. As of July 1, 2012, Alberta's population was estimated at 3.9 million, up 2.5% from the second quarter of 2011. This represents the highest growth rate among all provinces and more than double the national increase of 1.1%.

Average Weekly Earnings

Largest increase in earnings since 2006

Average weekly earnings in Alberta jumped an impressive $26.79 (+2.5%) in July to $1,094.85. Albertans earned $188.17, or 21%, more per week on average than the national average in July. On a year-over-year basis, earnings grew 6.1%, the fastest growth this year and led by gains in the mining, quarrying, oil and gas industry (8.8%). The increase in Alberta can be attributed to a 4.9% rise in hourly wages and a 1.9% gain in weekly hours worked.

Nationally, average weekly earnings were up 1.1% from June and 4.1% ahead of July 2011.

Retail Sales

Vehicle and gas station sales fuel July gains

Alberta retail sales posted a new record of $5.7 billion in July. Sales were up 1.4% from the previous month and up a robust 9.2% compared to July 2011, more than triple the national increase. Alberta's impressive retail sales growth in July was in large part spurred by purchases of new vehicles, gasoline, and products from general merchandise stores. Alberta continues to lead the country in year-over-year and year-to-date retail sales growth.

Canadian retail sales increased 0.7% month-over-month (m/m) in July, the largest increase so far this year. Sales growth was broad based: gains were posted in all provinces and in eight of eleven sub-sectors posted gains. On a year-over-year basis, Canadian sales were up 3.0%.

Rigs Drilling

Drilling activity tracking below last year's level

Rig activity remained below last year's level for the fourth straight month in September. The number of rigs drilling in Alberta's oil and gas industry was down 33.7% from September 2011's elevated reading. In the first nine months of 2012, rigs drilling has fallen 8.4% below the same period last year.

GDP by Industry

Manufacturing industries lead national GDP growth

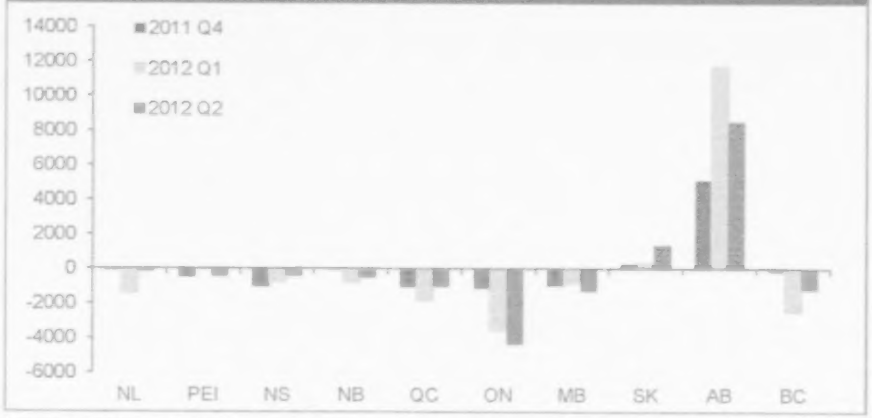
The Canadian economy grew by 0.2% m/m in July, but growth for June was revised down by 0.1 percentage points. Growth was the strongest in manufacturing at 0.6%, and the weakest in the oil and gas industry at -0.2%. July GDP was up 1.9% over the same month last year, led by agriculture hunting and fishing (6.5%), and manufacturing (5.3%).

Insolvency Statistics

Consumer bankruptcies decline

Alberta consumer bankruptcies came in at 489 in July, 8.4% lower than the same month last year. This marks the 21st straight month of year-over-year declines. Over the same period, the number of business bankruptcies edged up slightly from 15 to 16.

Net Interprovincial Migration by Province



Source: Statistics Canada

Closing Prices	September 20, 2012	September 27, 2012	2012–13 Fiscal YTD
Canadian Dollar (US¢/$CAN)	102.21	101.99	99.66
WTI Oil ($US/bbl)	$91.87	$91.85	$90.79
NYMEX Natural Gas ($US/MMBtu)	$2.80	$3.43	$2.61

Alberta Economic Indicators[1]

Population	2010	2011	2012YTD	Apr	May	Jun	Jul	Aug	Sep
NEW: Population (000's)	3,724	3,778	3,874	3,843			3,874		
% change	1.4	1.5	2.6	2.3			2.5		
NEW: Net Interprovincial Migration (level)	-1,371	8,443	28,170	11,736			8,544		
NEW: Net International Migration[2] (level)	24,103	16,703	37,900	6,609			14,540		
NEW: Net Non-permanent Residents[2] (level)	14	7,604	9,721	2,481			6,734		
Labour Market									
Employment (000's)	2,018	2,096	2,142	2,145	2,155	2,144	2,150	2,158	
% change	-0.4	3.8	3.1	3.9	4.1	3.7	3.2	3.1	
Unemployment Rate (%)	6.5	5.6	4.8	4.9	4.5	4.6	4.6	4.4	
Participation Rate (%)	72.8	73.7	73.7	73.9	73.7	73.3	73.4	73.5	
NEW: Average Weekly Earnings ($)	994.28	1,038.69	1,063.15	1,068.84	1,055.07	1,068.06	1,044.95		
% change	4.6	4.6	4.1	5.7	1.2	2.3	6.1		
Price Indices									
Consumer Price Index	1.0	2.4	1.4	0.9	0.4	1.3	0.9	1.6	
Excluding food and energy	0.7	0.8	1.5	2.1	1.5	1.6	1.4	1.4	
Non-Res. Building Cost Price Index[3]	-0.1	3.4	4.3			4.1			
Farm Product Price Index	1.5	17.2	4.7	1.6	4.4	4.7			
Crops	-9.7	16.5	1.6	1.3	3.5	1.1			
Livestock	5.7	17.2	7.2	1.9	4.7	7.7			
Household Sector									
Housing Starts (SAAR 000's)	26.9	25.5	32.5	30.7	33.6	33.8	31.4	31.7	
% change	34.8	-5.2	36.8	73.6	33.9	43.2	29.1	10.9	
New Housing Price Index[4]	0.5	0.4	0.9	1.2	1.0	1.2	1.5		
Edmonton	0.8	0.9	0.9	1.3	1.1	0.8	0.8		
Calgary	1.8	-0.1	1.0	0.9	0.8	1.7	2.3		
MLS Average Resale Price ($ 000's)	350.9	352.7	359.7	362.5	366.5	360.0	362.1	360.2	
% change	3.1	0.5	1.9	1.3	3.9	-2.1	-0.7	1.4	
Edmonton ($ 000's)	326.5	324.2	332.6	337.3	339.7	332.2	337.8	334.6	
% change	2.3	-0.7	2.9	3.3	4.0	-1.7	1.2	-1.1	
Calgary ($ 000's)	397.4	401.9	409.3	409.0	413.3	410.2	411.5	410.6	
% change	3.4	1.1	0.9	1.3	2.4	-1.3	3.1	1.8	
NEW: Retail Sales	6.0	6.9	9.0	7.8	8.2	7.1	9.2		
New Motor Vehicle Sales	9.5	9.6	12.9	11.1	12.6	5.8	10.8		
NEW: Consumer Bankruptcies (level)	8,150	7,029	3,629	523	515	484	499		
% change	18.4	-13.8	-16.3	18.3	16.5	-25.4	-8.4		
Business Sector									
NEW: Rig Drilling (level)	207	286	246	141	68	139	198	223	229
% change	61.3	37.9	-8.4	14.4	4.5	-7.3	-17.5	30.9	33.7
Goods Exports (customs basis)	-12.6	18.5	9.2	17.0	1.6	11.1			
Energy	-17.4	19.4	11.0	21.2	2.4	1.6			
Agriculture	-14.3	21.4	16.4	16.3	10.2	0.3			
Total Farm Cash Receipts (quarterly)	-3.7	16.3	28.3	--	--	--	--	--	--
Manufacturing Shipments	11.3	18.0	10.6	3.5	7.1	9.2	1.4		
Wholesale Trade	8.5	15.0	16.3	20.0	17	10.4	13.5		
Building Permits	1.9	11.8	14.4	49.5	20.2	13.5	0.5		
Residential	22.4	-5.2	18.6	-2.6	27.0	14.6	1.5		
Non-residential	18.3	20.9	9.6	109.5	13.2	11.5	-0.7		
NEW: Business Bankruptcies (level)	378	264	150	20	28	22	16		
% change	-6.7	-30.2	1.4	17.6	27.3	37.5	6.7		

YTD (year to date) represents the change since the beginning of the year compared to the same period in the previous year.

[1] Unless otherwise indicated, all figures are year-over-year percentage change.

[2] Quarterly, annual numbers are presented on a census year basis (July 1 - June 30).

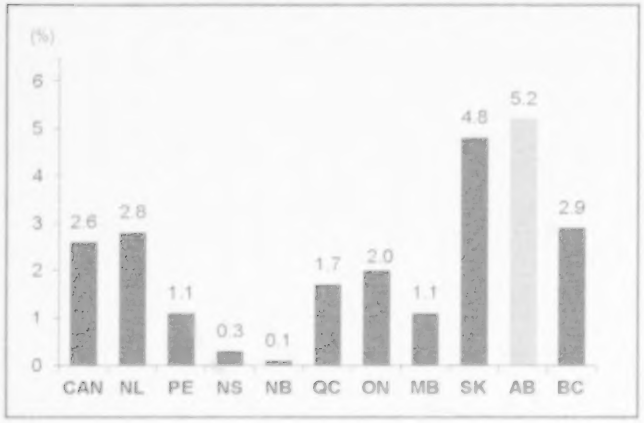
[3] Quarterly, average of Calgary and Edmonton.

[4] Average of Calgary and Edmonton.

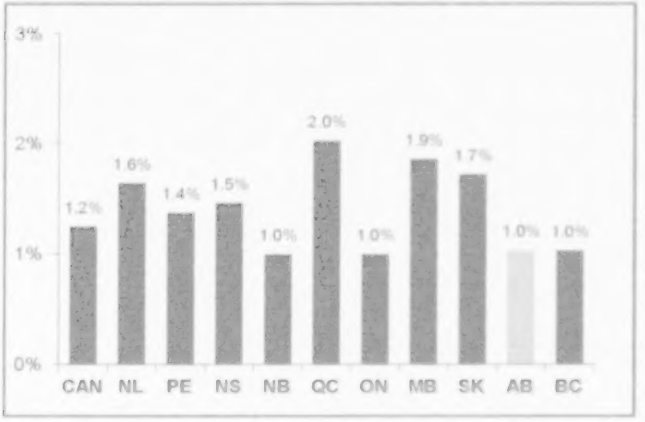
Sources: All data is from Statistics Canada except Housing Starts (Canada Mortgage and Housing Corporation), MLS Average Resale Prices (Canadian Real Estate Association), Rig Drilling (Canadian Association of Oilwell Drilling Contractors) and Bankruptcies (Office of the Superintendent of Bankruptcy Canada).

Economic Indicators by Province

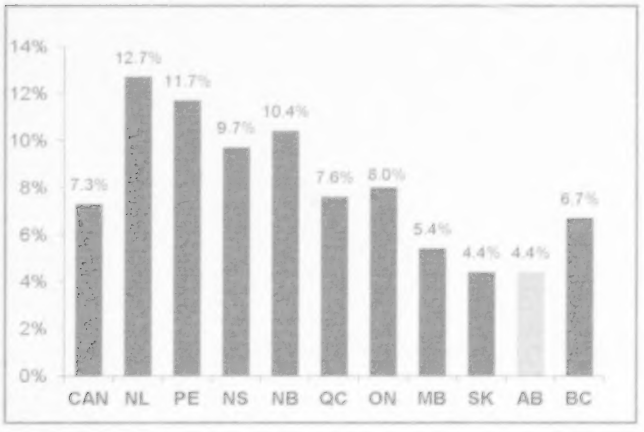
Real GDP Growth by Industry
(2011 preliminary estimates, year-over-year growth)



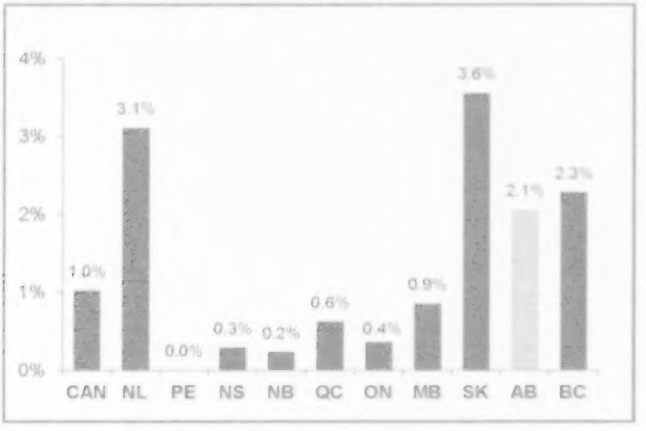
CPI Inflation
(August 2012, year-over-year growth in CPI)



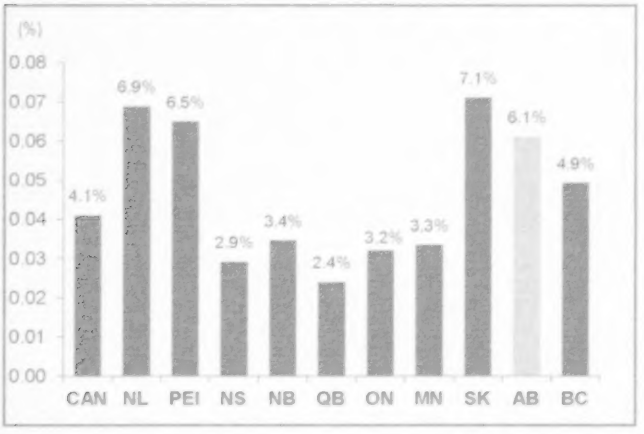
Unemployment Rate
(August 2012)



Employment
(August 2012, year-over-year growth)



Average Weekly Earnings
(July 2012, year-over-year growth)



Housing Starts
(August 2012, SAAR, year-over-year growth)